

**OFFICE OF THE LT. GOVERNOR
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**Sue Ellspermann
LT. GOVERNOR**

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**Lt. Governor Joined City and State Officials for the First Blight
Elimination Program Demolition**

*Funds were awarded to City of Indianapolis to demolish hundreds of local blighted
properties*

Indianapolis – Lt. Governor Sue Ellspermann joined Indianapolis officials to watch the first blighted property in Indiana be demolished and improved in the Indiana Hardest Hit Fund Blight Elimination Program. The property was located at 906 N. Beville Avenue in the St. Clair Place Neighborhood on Indianapolis' near eastside.

“With Monday’s demolition, the elimination of a projected 4,000 blighted properties in the state of Indiana officially began,” said Lt. Governor Sue Ellspermann. “The Blight Elimination Program is a collaborative effort of federal, state and municipal government agencies that provides federal funds to remove these abandoned and dilapidated houses that are a detriment to neighborhoods in large cities and small towns throughout the state. The program encourages the productive re-use of the property that will benefit surrounding property owners and residents.”

The demolition is the first of many resulting from a \$6.4 million award received by the City of Indianapolis on May 22, 2014. These funds will be used to demolish, green and maintain approximately 336 blighted properties in Indianapolis. The program will make a total of \$75 million available statewide for blight elimination to reduce foreclosures and stabilize property values.

“The City of Indianapolis and other areas of Indiana have been struggling with the damaging effects caused by vacant and blighted properties and will soon see the benefits of these federal funds,” said Sarah Bloom Raskin, Treasury Deputy Secretary. “Removing blighted properties is important in the fight to reduce foreclosures and we look forward to continuing our partnership with the State of Indiana to help stabilize hardest hit communities.”

The goal of the program is not simply to demolish abandoned homes and improve the resulting lots, but to prevent avoidable foreclosures and stabilize property values in Indiana communities. The Beville property is the first of what the Indiana Housing and Community Development Authority (IHCDA), who administers the program, estimates to be close to 4,000 blighted and/or abandoned homes that will be eliminated through the Blight Elimination Program.

“Both rural and urban Indiana communities are struggling with blighted and abandoned homes that reduce the surrounding property values and create safety concerns,” Indiana State Sen. Jim Merritt said. “Through IHCD, the Blight Elimination Program will use a percentage of Indiana’s Hardest Hit Funds to eliminate blighted and vacant buildings. The demolition and greening of these properties is vital to rebuilding safer, stronger Hoosier neighborhoods. I appreciate the partnership between IHCD, the federal government and Indiana municipalities, which has allowed eligible counties to carry out blight elimination activities and also offers several new uses for the cleared properties.”

Near East Area Renewal, Inc. (NEAR), a community-based nonprofit development corporation, acquired the Beville property, which has been vacant for over five years through Renew Indianapolis Inc. from the Indianapolis Land Bank of the City of Indianapolis Department of Metropolitan Development in April 2014. NEAR initially looked at repairing the home; however, the poor condition of the foundation of the house rendered it beyond repair.

“Dangerous and abandoned homes pose a significant public safety hazard in many urban neighborhoods,” said Mayor Greg Ballard. “This program will help Indy rid many neighborhoods of these unsafe and unsightly homes and lead to a better quality of life for people living in these areas.”

The Beville property is one of six in the St. Clair Place owned by NEAR that is scheduled to be demolished and improved using funds from the Blight Elimination Program. NEAR has restored or built 60 houses since 2009 as part of the Neighborhood Stabilization Program administered by the City of Indianapolis and the State of Indiana. After today’s blight elimination activities, 906 N. Beville will be replaced with a new, 2-story single family residence.

“It’s a good public investment when our Federal, State and Local leaders can act together to turn unsightly symbols of decay into beautiful homes with taxpaying citizens ready to make a contribution to revitalized neighborhoods,” said John Franklin Hay, Executive Director of NEAR. “As a community-based nonprofit, NEAR is proud to develop homeownership opportunities through this important initiative.”

The Blight Elimination Program provides opportunity for local units of government in all 92 Indiana counties to compete for funding to prevent avoidable foreclosures through the elimination of blighted and abandoned homes. The funds are drawn from the \$221.7 million in Hardest Hit Funds allocated to Indiana. In February 2014, the U.S. Department of the Treasury approved the use of \$75 million of Indiana’s Hardest Hit Funds by IHCD for successful Blight Elimination Program applicants. The partnership between IHCD and Treasury allows for funding to eliminate blighted properties and offer a variety of end uses for the newly cleared parcels, such as green space or redevelopment.

To date over \$38 million has been allocated from the original \$75 million earmarked for the Blight Elimination Program. The State of Indiana has been divided into six funding divisions. Applicants apply for funds from the funding division in which their county is located. The application deadlines for divisions one, two, three, four and five have passed. In addition to the division one awards announced on May 22, Lt. Governor Ellspermann announced awards for

successful applicants in division two on June 26, division three on July 24 and division four on August 28. Division five awards will be announced in late September.

For more information on the Indiana's Hardest Hit Fund Blight Elimination Program, visit www.877GetHope.org/blight.



Lt. Governor Ellspermann addresses the crowd which included Indiana Senator Jim Merritt, Indianapolis Mayor Greg Ballard, NEAR Executive Director John Franklin Hay as well as state staff, elected officials and community members on hand to observe the demolition of 906 N. Beville Ave, Indianapolis, which occurred September 8, 2014. This was the first abandoned, blighted property in Indiana to be demolished using Blight Elimination Program funds.

Background

Blighted, vacant and abandoned homes are a serious issue for Hoosier homeowners, neighborhoods and communities as Indiana has the highest percentage of abandoned foreclosed homes in the country. RealtyTrac and 24/7 Wall Street have reported that roughly 30 percent of Indiana's foreclosed homes are abandoned. Many of these properties quickly fall into a state of blight and attract undesirable or unlawful activity, thereby negatively impacting Indiana homeowners and neighborhoods by reducing property values and draining local government resources. Many Indiana communities simply lack the resources necessary to combat this problem alone.

The U.S. Department of the Treasury established the Housing Finance Agency Innovation Fund for the Hardest-Hit Markets (Hardest Hit Fund) to provide financial assistance to families in the states most impacted by the downturn of the housing market. The U.S. Department of the Treasury designed the overall program to give each participating state the flexibility to tailor its program to the unique factors contributing to its state's foreclosure problems. Eighteen states and the District of Columbia administer Hardest Hit Fund assistance to qualified homeowners struggling to make their mortgage payments.

IHCDA's announcement that it was exploring the use of Hardest Hit Funds to eliminate blighted and abandoned properties has not detracted from the mission of helping struggling homeowners avoid foreclosure. The Blight Elimination Program is simply one more instrument in the foreclosure prevention tool kit. As of July 31, 2014, nearly 3,800 homeowners in 91 of 92 counties have received approximately \$45.8 million in Hardest Hit Fund mortgage payment assistance; and \$95.4 million has been reserved to make mortgage payments for the approved homeowners currently enrolled in the program. For more information on Indiana's Hardest Hit Fund, visit www.877GetHope.org.

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About The Indiana Housing and Community Development Authority: The Indiana Housing and Community Development Authority (IHCDA), chaired by Lt. Governor Sue Ellspermann, creates housing opportunity, generates and preserves assets and revitalizes neighborhoods by investing financial and technical resources in the development efforts of qualified partners throughout Indiana. IHCDA believes that growing Indiana's economy starts at home. For more information, go to www.ihcda.in.gov or www.in.gov/myihcda.

The Lieutenant Governor manages the following agencies of State government: Office of Defense Development, Office of Community and Rural Affairs, Indiana State Department of Agriculture, Office of Tourism Development, Office of Small Business and Entrepreneurship and the Indiana Housing and Community Development Authority.

About Indianapolis Department of Metropolitan Development: From working to plan for our city's future - to creating affordable homeownership opportunities - to supporting the growth of jobs and investment in our community - the Department of Metropolitan Development works in partnership with other city departments to build a world-class city, neighborhood by neighborhood. For more information, go to www.indy.gov/eGov/City/DMD.

About Near East Area Renewal, Inc.: NEAR is a nonprofit community development corporation that serves the Near East Side of Indianapolis. NEAR is tasked with overseeing the redevelopment of the area and housing tax interest financing (HoTIF) district designated by the City of Indianapolis. Along with residential development, NEAR pursues broader community infrastructure, industrial site reuse and housing and economic project that will benefit the growth and development of Near Eastside of Indianapolis. For more information, go to www.nearindy.org.

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